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THIS ITEM RELATES TO ITEM #4 ON BOARD MEETING HELD ON OCTOBER 20, 2015
http://file.lacounty.gov/bos/sop/cms1_235951.pdf

County of Los Angeles
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SACHI A. HAMAI
Chief Executive Officer

May 17, 2016

To: Supervisor Hilda Solis, Chair
        Supervisor Mark Ridley-Thomas
        Supervisor Sheila Kuehl
        Supervisor Don Knabe
        Supervisor Michael D. Antonovich

From: Sachi A. Hamai
        Chief Executive Officer

COUNTY OUTCOME MEASURES FRAMEWORK
(ITEM NO. 4, AGENDA OF FEBRUARY 16, 2016)

On February 16, 2016, your Board instructed the Chief Executive Officer (CEO) to:

1. Develop a new framework for County metrics that includes a focus on tracking and monitoring outcomes and to provide a written report to the Board in 90 days. CEO was directed to convene a group of County experts on program measurement, academic researchers, and an outside research consultant specializing in outcome measures to provide input on the process.

2. Instruct County departments to continue tracking Performance Counts measures and be prepared to submit the data to CEO.

Our office previously reported back to your Board on December 16, 2015, in response to an October 20, 2015 motion relating to the County's current performance measurement process and best practices in the area of outcome measurements (Attachment I).

Overview

The County currently uses the Performance Counts measurement framework to track and monitor departmental statistics and outcomes. The County's Open Data website is an additional source where the public can access County data. CEO convened a work group to review these existing models, assess current County data practices, and identify opportunities to develop a new County metrics framework that focuses on outcome measures. This report provides your Board with updates on Performance Counts, Open Data, and identifies how the County can build upon the concepts

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underlying these current programs to create a more comprehensive metrics framework. The report also includes next steps the CEO can take for implementing a new framework with greater emphasis on outcome measures that are specifically aligned with the Board's priority areas.

County Outcome Measure Work Group

The CEO convened a work group on February 26, 2016 that included representatives from County departments, a University of Southern California professor, an outside expert in performance management, and a consultant specializing in organizational development and planning. The work group was briefed on the Board's motion and the status of current performance measurement activities in the County. All members of the group had previous experience working with County departments on issues of data collection and performance measurement. The work group reviewed the types of data that County departments are collecting and discussed the benefits of expanding the use of outcome measures. The work group also identified the opportunities and challenges of using data from sources outside the County to measure the impact of County services and programs. The group's discussion included a focus on piloting the development of a new outcome measures framework, with a limited number of high priority outcome measures. In addition to their expert guidance and insightful discussion, work group members also provided a wealth of performance measurement and outcome data that their agencies and organizations had been collecting to help the County in identifying new measures.

The work group discussed and supported the idea of a *family of measures*. Departments are already collecting a wide variety of data that is used for many purposes. A family of measures would include department specific stats used for management decisions, data that is needed to meet state/federal reporting requirements, basic output data that informs the public about County services, and cross-departmental outcome measures that highlight the County's progress towards achieving the Board's priorities. The challenge the work group identified for the County is making the data available in a format that can be used to effectively analyze and apply data for decision making. Therefore, a plan is needed to catalyze this cultural shift to enhance access to key data so that County leaders have accurate, reliable, and timely information to rely upon as they make decisions.

The CEO also convened discussions with other outside parties regarding their experience with developing outcome measures for local governments. These meetings included conversations with staff from Salt Lake County, Utah, and a current County IT/consulting contractor that has assisted other cities, counties, and states in developing outcome measures. The information from these meetings complimented the discussions with the work group.

Performance Counts

In 2015, the CEO requested that all departments provide updated Performance Counts data for 2015-16. The data was compiled into a report that is now available to the public on the budget page of the CEO's website at ceo.lacounty.gov/budget.htm. The work group discussed the role that Performance Counts data could play as a part of the family of measures. Performance Counts provides department-level statistics that can be used by department management and public advocates to evaluate and improve County services. Yet, as the County's performance measurement tracking framework continues to evolve, we anticipate that a new, more comprehensive performance measurement model will ultimately replace the Performance Counts framework. Meanwhile, the CEO will continue to collect Performance Counts data from departments until a new framework has been fully established. Members of the work group suggested that the timing of submission for Performance Counts data be changed from early in the calendar year with the department's annual budget request, to after the end of the fiscal year. This change would give departments the opportunity to compile fiscal year-end data and provide more current performance data in their annual submission.

The CEO notified departments in the budget instructions that Performance Counts data for 2016-17 would be collected in conjunction with the supplemental budget phase in September 2016. This change will give departments time to include their complete 2015-16 data with their Performance Counts submission this year.

Open Data

The Chief Information Office (CIO) has been working with departments to increase the number of datasets available on the County's Open Data website at data.lacounty.gov. There are currently 65 datasets, from 14 departments and one commission, being published through the Open Data website. The County's Open Data website was identified as an additional component of the family of measures that could help improve the County's goal of tracking, monitoring, and reporting of performance data.

The Open Data platform provides opportunities for creating linked pages within the Open Data framework connecting public users to datasets and content related to outcome measures. The recent integration of the CIO's strategic functions within the CEO's structure will help coordinate future efforts to link together Open Data resources and the new County metrics framework.

New County Metrics Framework

The work group supported the idea of developing a new metrics framework that included a greater emphasis on outcome measures. The work group members stressed the importance of selecting the right measures to accurately assess progress on the County's priorities. In 2015, the CEO worked closely with the Board to identify key Board priorities and provide resources to advance those priorities in FY 2015-16 and 2016-17. As the Board updates County priorities, the CEO will work with

departments to develop plans and related outcome measures to track progress on those priorities. Posting selected measures online would provide valuable information to the public and exposure for important County priorities.

The new County metrics framework would focus on measuring outcomes resulting from the efforts of multiple departments. Outcome measures that are impacted by the work of multiple departments are especially valuable because focusing on improving these key outcomes would encourage cooperation between departments and increase synergy through effective collaboration. Likewise, other data tracked by individual departments would support the overall achievement of goals.

The initial results of new programs are most often measured using inputs (such as cases opened or requests received) and outputs (such as cases closed or individuals served). Outcome measures are a longer term gauge of success that may take months or years to determine if a program, service, or intervention is successful. Although new programs may not be able to show immediate results to outcome measures, it is important to identify those outcome measures from the initial implementation stage. Identifying the desired outcome measures at the outset of a program helps ensure that the appropriate data is collected, and County staff and partners have a clearly defined goal of the outcome that they are working together to achieve.

The outcome measures developed for the new County metric framework should include all of the following characteristics:

- Clear, accurate, and reliable data;
- Alignment with County priorities;
- Realistic timelines recognizing that progress on some measures may be established more quickly than others;
- Relevant issues of interest to the public with measures that are understandable to the community;
- Numerical goals that are balanced with a commitment to on-going continuous improvement;

CEO will provide technical assistance to departments to ensure quality. An outside consultant may be necessary to provide assistance in this area.

The initial phase of developing a new County metrics framework should include an opportunity for departments to refine their Performance Counts submissions. The updated Performance County measures should focus on the most impactful data and eliminate potential duplication between Performance Counts, Open Data, and the new outcome measures. Performance Counts may ultimately be replaced by the more comprehensive County metrics framework.

Next Steps

Collecting accurate, reliable data is crucial to making effective decisions. Focusing on outcomes enhances the ability of County leaders to link resource allocations with strategic priorities. County departments are currently at different points in the process of adopting the use of data-driven decision making and connecting their data with desired outcomes. The CEO can work with all departments to identify County leaders in this area and provide guidance to departments that need assistance in developing their effective use of data and measuring outcomes.

The CEO is prepared to work with Board offices and County departments to develop a new County metric framework that identifies and measures outcomes in the County's priority areas. The CEO would implement the new framework by taking the following next steps:

1. Pilot a new County metrics framework by identifying a set of outcome measures for one priority area. The pilot would involve working with multiple departments to identify a framework, output, and outcome measures, and data sources that are critical to measuring progress towards achieving the goals of the priority area;

2. If the pilot is successful, work with departments to implement a new framework to measure and track outcomes for all of the Board's priority areas;

3. Ensure the new outcome measures are aligned with the County Strategic Plan; and

4. Explore options for posting outcome measures on the County's website and expanding the number of data sets available through the Country's Open Data website.

If you have any questions or need additional information, please contact me, or your staff may contact Jim Jones at (213) 974-1104, or via e-mail at jjones@ceo.lacounty.gov.

SAH:JJ:SK
KS:alc

Attachment

c: Executive Office, Board of Supervisors
      County Counsel

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Fourth District

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Fifth District

December 16, 2015

To: Supervisor Hilda Solis, Chair
        Supervisor Mark Ridley-Thomas
        Supervisor Sheila Kuehl
        Supervisor Don Knabe
        Supervisor Michael D. Antonovich

From: Sachi A. Hamai
        Chief Executive Officer

COUNTY OUTCOME MEASURES
(ITEM NO. 4, AGENDA OF OCTOBER 20, 2015)

On October 20 2015, your Board instructed the Chief Executive Officer (CEO) to work with the County's Chief Data Officer in the Chief Information Office (CIO) and report back in 60 days on the following issues relating to County outcome measures:

1. Provide the current processes, procedures, or methods that the County has in place for County departments to report regularly to the CEO on how they measure the effectiveness of the programs and services they provide to Los Angeles County residents; and

2. Review best practices in developing a more outcome-focused approach toward program and service delivery by examining methods used in other local jurisdictions.

Overview

The County currently uses the Performance Counts (PC) measurement framework to track and monitor department statistics and outcomes. Departments developed PC program results, indicators, and measures and then track data in these areas each year. This report provides a brief summary of the County's PC program along with other County outcome measures. This report also provides the findings of the CEO and CIO's analysis of best practices in performance management used by other jurisdictions throughout the nation.

Performance Counts and Current County Outcome Measures

The County began piloting the PC framework in 2003. By the FY 2004-05 Requested Budget, all departments were utilizing the PC framework in their annual budget requests. PC is the County's standardized system to consistently capture, present and report performance data. The framework provides flexibility for departments to present measures which are representative of the services they provide. It encourages managers to select measures that link to department's internal performance improvement efforts. PC was designed to create a results-oriented culture that fostered an environment of continual operational, administrative and programmatic improvement.

Departments developed PC measures for each of the major program areas listed in their annual budget request. The PC framework includes a program description, program result, program indicators, and operational measures for each program area.

PC measures were included in the annual recommended budget from 2004-05 through 2008-09 and made available online. From 2009-10 through 2011-12, PC measures were published separately in an annual Program Summary and Performance Measurement document that was available online through the CEO's website. Beginning in 2012-13, departments were no longer required to submit their PC measures with their budget request, but departments were required to continue tracking the data for their departmental use and so they could provide it if requested by the CEO or your Board.

In response to the Board's direction relating to outcome measures, the CEO requested that departments provide their most recent PC data. The CEO plans to publish this information online in a Program Summary and Performance Measurement document by the end of January 2016. The document will be similar to the type of annual publication that was available during the period of 2009-10 through 2011-12.

The PC system offers a standard format with flexibility to departments, but the number of measures that it tracks and data it provides can make it difficult to use this information to inform decision makers. Some departments had difficulty identifying outcome measures for some programs. Past experience with the PC system has shown that it is difficult to use this data to make budget decisions and track the County's progress toward achieving key priorities.

The ad hoc initiatives created to address the 2015 Major Priorities of the Board of Supervisors have made significant progress in identifying outcomes related to the issue they were established to address. They have worked with partners across multiple departments to gather key data. The outcome focus of these initiatives could be used as a model to expand the County's effectiveness at identifying and tracking countywide outcome measures.

Best Practices in Measuring Outcomes

The CEO, in collaboration with the CIO, conducted an analysis of the outcome measures and performance management systems utilized by nine jurisdictions throughout the nation that included state, county, and city governments. The governments included in this analysis were:

State	County	City/County	City
Maryland	Fairfax County, VA	Denver, CO	New York, NY
Washington	Maricopa County, AZ	Louisville, KY [1]	Los Angeles, CA
		Nashville, TN [2]	

[1] *The Louisville-Jefferson County Metro Government (Louisville)*
[2] *The Metropolitan Government of Nashville & Davidson County, TN (Nashville)*

These jurisdictions used a variety of methods to measure performance. The findings below provide details on the best practices in outcome measures and performance management practices that were identified through the analysis.

Tracking and Reporting Meaningful Data with a Focus on Outcomes
The most effective performance management systems invest the time at the beginning of the process to ensure that the measures they are tracking are meaningful. There was a clear emphasis among the jurisdictions to focus on outcomes rather than workload measures. Selecting measures that represented top priorities for the jurisdiction was also a valuable tool that most jurisdictions used. New York City chose to track over 500 measures with a mix of outcomes and workload measures. This provided a deep look into the performance of each of their agencies, but also made it more difficult to track overall trends and see progress of high priority issues. At the other end of the spectrum, Nashville identified four major goal areas with 17 total measures. This model lacks the detail and transparency offered by other models, but made it very easy at a glance to track the progress of these key outcomes.

Making Data Available Online
Almost all of the jurisdictions included in this analysis provided performance data measures on their website for the public. The performance measures were in addition to open data sites that many of these governments also maintained. Providing the data online increases public access to information, transparency, and government accountability. The data also provides the public and other stakeholders with valuable insights into the effectiveness of their governments' ability to address and impact important issues and demonstrate the success of effective government programs.

Regularly Updating Data

Performance data provided to the public through an online site must be kept current and regularly updated. Three of the jurisdictions in our analysis did not have current data on their website and this severely limited the usefulness of their information. Other jurisdictions had a mix of current data and data that was 12 to 24 months old. Providing consistently current data is an important component for making information useful to the public. When selecting performance outcomes, the County should be careful to select data that will be available on a regular basis and is unlikely to get delayed due to external data disruptions. Monthly updates appear to be an ideal time period.

Setting Clear Goals for Improvement

Jurisdictions demonstrated different approaches for setting goals, but the best examples of performance improvement came from governments with a focus on improvement. New York City and Nashville focused on improving measured outcomes during each reporting period. Success in these jurisdictions was measured by year-to-year improvements of key indicators. Washington, Fairfax County, Maricopa County, and Louisville set target goals for key indicators. They measured success on their ability to make progress towards and achieve those goals. The continual improvement model used by New York City and Nashville is easier to implement because it does not require time for initial goal setting and avoids the problem of setting a goal that is too aggressive or too easy to obtain. The downside of this model is that it does not differentiate between areas where large improvement is needed compared to areas where relatively little improvement is necessary. The target-setting model provides a clear standard of success for each measure. The drawbacks of this model include the time that may be required to determine the appropriate goal for each measure and the difficulties in determining the appropriate goal.

Coordinating Standardized Measurement and Process Improvement

Successful jurisdictions indicated that it was important to have a central team or agency responsible for the coordinating the performance measurement process, providing guidance to departments, and standardizing data so that it can be distributed in a clear and consistent format. Some jurisdictions in our analysis established offices whose primary objective was to track, analyze and report on performance measures. Many of these offices also specialized in helping departments develop and complete process improvement projects. Examples of these offices include the Office of Performance Improvement (Louisville), Results Washington in the Office of the Governor (Washington), and the Governor's Office of Performance Improvement (Maryland). Another alternative used by some jurisdictions was to coordinate performance management efforts from an existing department such as the Department of Management and Budget (Fairfax County) and the Office of Management and Budget (Maricopa County).

Conclusion

There is an opportunity to improve the County's performance measurement system and provide important outcome data to the public. The best practices from other jurisdictions demonstrate successful outcome measuring and performance management techniques that could help the County enhance the way it tracks, monitors, and reports outcome measures.

The CEO and CIO recommend that the County initially establish a set of 12 – 20 meaningful outcome measures that would be published online. Identifying an internal expert within the County, or contracting with a performance measurement consultant, would be needed to assist the County in identifying these initial outcome measures related to high priority issues in the County. After the initial implementation, the original set of outcome measures could be expanded with the addition of a second set of outcome measures that highlight other important outcomes.

The County's Open Data website at http://data.lacounty.gov does not currently highlight outcome data, but the portal could be updated to also display outcome measures in a format similar to the one used by other local jurisdictions. Posting outcome data on this site would promote transparency, accountability, and public access to County information and data.

If you have any questions or need additional information, please contact me, or your staff may contact Jim Jones at (213) 974-8355 or via e-mail at jjones@ceo.lacounty.gov.

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